

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Illinois Commerce Commission**

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**EL02-\_\_\_\_-000**

**NOTICE OF WITHDRAWAL OF  
PETITION FOR A DETERMINATION THAT ACCOUNTING REFLECTED IN  
COMMONWEALTH EDISON COMPANY'S FERC FORM 1  
ANNUAL REPORT FOR 2001 IS ERRONEOUS,  
AND FOR AN ORDER REQUIRING REVISION**

Pursuant to Rule 216 of the Rules of the Federal Energy Regulatory Commission ("FERC" or "Commission"), 18 C.F.R. §385.216, the Illinois Commerce Commission ("ICC") hereby provides notice to the Commission of its withdrawal of the Petition the ICC submitted to the Commission with a cover letter dated May 15, 2002 ("Petition"). The Petition requested a determination that certain accounting reflected in Commonwealth Edison Company's FERC Form No. 1: Annual Report of Major Electric Utilities, Licensees and Others, for the year ending December 31, 2001, is erroneous, in that it reflects the inclusion of particular items in accounts other than those prescribed by the Commission, and an order requiring that Commonwealth Edison Company ("ComEd") make certain changes in its accounts and in its Annual Report.

**I. Background**

As noted in the Petition, ComEd's FERC Form No. 1 Annual Report for the year ending December 31, 2001 ("2001 FERC Form 1") showed as current common equity a promise from its corporate parent Exelon Corporation ("Exelon"), to pay certain amounts in the future. Petition, page 4. The Petition stated that ComEd had recorded this receivable in a manner that has the effect of overstating its common equity balance by

\$937 million, an amount that has a material effect on the calculations that, under Sections 16-111(d) and (e) of the Illinois Public Utilities Act, 220 ILCS 5/16-111(d) and (e), determine whether ComEd would qualify for rate relief in Illinois, or would be obliged to credit a portion of excess earnings to its Illinois retail ratepayers. Petition, pages 4-5.

**II. The Balances of Common Equity Stated on ComEd's FERC Form No. 1 (Resubmission) for the year ending December 31, 2001, reflect changes that remedy concerns identified in the Petition.**

On May 20, 2002, ComEd caused to be delivered to the Office of the Chief Clerk of the ICC its 2001 FERC Form 1 with a cover showing the box "Resubmission No. \_\_\_\_" checked in Item 1(hereinafter referred to as the "2001 FERC Form 1 (Resubmission)"). The 2001 FERC Form 1 (Resubmission) is different in a number of respects from the original form the ICC received on May 9, 2002.

Page 123.19 of ComEd's 2001 FERC Form 1 (Resubmission), Note 15 to the Notes to the Financial Statements, Related-Party Transactions, provides a description of the transaction between ComEd and Exelon that differs from the description in the original 2001 FERC Form 1. The differences are as follows, with matter deleted from the original shown with strike-through, and added matter underlined:

At December 31, 2001, ComEd had a \$937 million non-interest bearing receivable from Exelon relating to Exelon's agreement to fund future income tax payments resulting from the collection by ComEd of instrument funding charges. This receivable is expected to be settled over the years 2002 through 2008. ~~The \$125 million short-term portion of this receivable and \$812 million long-term portion are included in Account 145, Notes Receivable from Associated Companies, and Account 186, Miscellaneous Deferred Debits, respectively, on ComEd's Balance Sheets.~~ For SEC purposes, this receivable is reclassified as a separate line item of Shareholder's Equity in ComEd's Consolidated Balance Sheets and reduces shareholder's equity in accordance with SEC staff Accounting Bulletin 4(g). See Note 1, Significant Accounting Policies, Basis of Presentation. For FERC reporting purposes the receivable, is

reclassified as an offset to Account 207 Premium on Capital Stock for consistency with the SEC reporting treatment. (Revised)

From 2001 ComEd FERC Form 1 (Resubmission), page 123.19.

The ICC has reviewed differences between ComEd's original 2001 FERC Form 1 and the 2001 FERC Form 1 (Resubmission), and has determined that the changes reflect accounting treatment of the Exelon receivable that is consistent with that reflected in the Exelon/ComEd SEC Form 10-K for 2001, as described in Note 15, set forth above.

With those changes, ComEd's 2001 FERC Form 1 (Resubmission) reflects accounting that corrects the errors identified in the Petition. On that basis the ICC provides this Notice of Withdrawal of the Petition. The ICC's understanding is that under the Commission's Rule 216, unless a motion is filed in opposition to the notice within 15 days of the date of the filing of the ICC's Notice of Withdrawal or the decisional authority issues an order disallowing the withdrawal within that period, withdrawal is effective at the end of a 15-day period following filing of the notice.

### **III. Service**

The ICC has caused a copy of this Notice of Withdrawal to be served on:

Mr. Robert E. Berdelle  
Vice President & CFO  
Commonwealth Edison Company  
10 South Dearborn, P.O. Box 805379  
Chicago, Illinois 60680-5379

#### **IV. Conclusion**

Based upon the ICC's review of ComEd's 2001 Form 1 (Resubmission), and for the reasons set forth above, the ICC hereby provides notice of withdrawal of the Petition.

Dated: May 22, 2002

Respectfully submitted,

ILLINOIS COMMERCE COMMISSION

By: /s/\_\_\_\_\_

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